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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	
	)	
Access Charge Reform,	)	
Price Cap Performance Review	)	
for Local Exchange Carriers,	)	CC Dockets Nos. 96-262, 94-1,
Transport Rate Structure	)	91-213, 95-72
and Pricing, End User Common	)	
Line Charge	)	

**COMMENTS OF  
THE RURAL TELEPHONE COALITION**

Margot Smiley Humphrey  
Koteen & Naftalin, LLP  
1150 Connecticut Ave., NW  
Suite 1000  
Washington, DC 20036

David Cosson  
NTCA  
2626 Pennsylvania Ave., NW  
Washington, DC 20037

Lisa M. Zaina  
Stephen Pastorkovich  
OPASTCO  
21 Dupont Circle, NW  
Suite 700  
Washington, DC 20036

September 25, 1997

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**COMMENTS OF  
THE RURAL TELEPHONE COALITION**

The Rural Telephone Coalition (RTC) submits these comments in response to the Commission's Second Further Notice of Proposed Rulemaking in the above-captioned proceeding.<sup>1</sup> The RTC is comprised of the National Rural Telecom Association (NRTA), the National Telephone Cooperative Association (NTCA) and the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO). Together, the three associations represent more than 850 small and rural telephone companies.

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<sup>1</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, CC Docket Nos. 96-262, 94-1, 91-213, 95-72, FCC 97-317 (Released September 4, 1997) (NPRM)

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## I. INTRODUCTION

On September 3, 1997, the Commission adopted the *Second Further Notice of Proposed Rule Making* (NPRM). Among the NPRM's several provisions were the tentative conclusions that Presubscribed Interchange Carrier Charges (PICCs) should not be levied on low-income customers, but should be recovered through the low income program of the federal universal service support mechanism.<sup>2</sup> Although present regulations do not apply the PICC to rate of return telephone companies, the RTC has always been strongly supportive of the Lifeline and Lifelink programs. Customers, industry and society all benefit from communications services that are ubiquitous, including affordable service for all income levels and socioeconomic strata.

## II. THE COMMISSION SHOULD CONFIRM ITS TENTATIVE DECISION TO WAIVE THE \$0.53 PICC FOR LIFELINE CUSTOMERS WHO ELECT TOLL BLOCKING

The Commission observes that imposing a PICC will deter Lifeline customers from selecting toll blocking.<sup>3</sup> Toll blocking allows subscribers to select a telephone service management option which prevents long distance calling from their telephone in order to avoid accruing charges above their ability to pay. Many consumers would choose to retain access to a service if they were required to pay a charge related to that service, regardless of whether they use it. Customers who select toll blocking have no access to IXC services, so the assignment of a PICC in such cases would not be justified, as the Commission recognized.

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<sup>2</sup> NPRM at paras. 4-5

<sup>3</sup> NPRM at para. 4

Furthermore, waiving the PICC for Lifeline customers helps keep costs down for low-income subscribers. This is in keeping with Section 254(b)1 of the Act, which mandates that “quality services should be available at just, reasonable, and affordable rates.” For these reasons, the Commission’s tentative decision to waive the PICC for Lifeline customers in order to avoid discouraging low-income consumers from accepting toll blocking should be confirmed.

### **III. THE COMMISSION’S TENTATIVE CONCLUSION THAT THE COSTS OF THE WAIVER SHOULD BE SUPPORTED BY THE LOW INCOME PROGRAM OF THE FEDERAL UNIVERSAL SUPPORT MECHANISMS SHOULD BE CONFIRMED**

The Commission described waived charges as costs “associated with the provision of Lifeline service.”<sup>4</sup> Universal service and Lifeline both aim to keep costs affordable for subscribers. This determination helps attain the goals of both Lifeline and universal service. Therefore, the conclusion that the costs of the waiver should be supported by the universal service fund and recovered through competitively neutral contributions from all applicable telecommunications carriers should be confirmed.

### **IV. CONCLUSION**

For the reasons listed above, the Commission should confirm its tentative conclusion to waive the \$0.53 PICC for Lifeline customers who elect toll blocking. The Commission should

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<sup>4</sup> NPRM at para. 5

also confirm its tentative conclusion that such waivers be supported through competitively neutral universal service contributions from all applicable carriers.

Respectfully submitted,

**THE RURAL TELEPHONE COALITION**

**NRTA**

**NTCA**

**OPASTCO**

By: Margot Smiley Humphrey By: David Cosson  
Margot Smiley Humphrey David Cosson

By: Lisa M. Zaina  
Lisa M. Zaina

By: Stephen Pastorkovich  
Stephen Pastorkovich

Koteen & Naftalin, LLP  
1150 Connecticut Ave. NW  
Suite 1000  
Washington, DC 20036  
(202) 467-5700

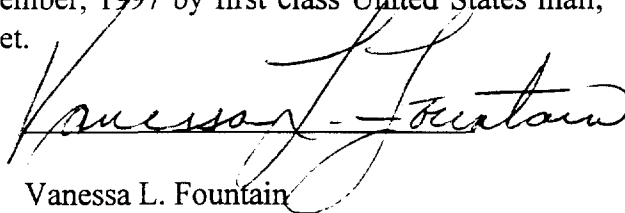
2626 Pennsylvania Ave. NW  
Washington, DC 20037  
(202) 298-2300

21 Dupont Circle NW  
Suite 700  
Washington, DC 20036  
(202) 659-5990

September 25, 1997

# CERTIFICATE OF SERVICE

I, Vanessa L. Fountain, hereby certify that a copy of the Rural Telephone Coalition's Comments was sent on this, the 25th day of September, 1997 by first class United States mail, postage prepaid, to those listed on the attached sheet.

A handwritten signature in cursive script, reading "Vanessa L. Fountain", written over a horizontal line.

Vanessa L. Fountain

## Service List

The Honorable Reed E. Hundt, Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 814  
Washington, DC 20554

The Honorable Rachelle B. Chong,  
Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 844  
Washington, DC 20554

The Honorable Susan Ness, Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 832  
Washington, DC 20554

The Honorable James H. Quello,  
Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, DC 20554

The Honorable Julia Johnson, State Chair,  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Gerald Gunter Building  
Tallahassee, FL 32399-0850

The Honorable David Baker,  
Commissioner  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-5701

The Honorable H. Russell Frisby,  
Commissioner  
Maryland Public Service Commission  
16th Floor, 6 Paul Street  
Baltimore, MD 21202-6806

The Honorable Laska Schoenfelder,  
Commissioner  
South Dakota Public Utilities Commission  
State Capitol, 500 East Capitol Street  
Pierre, SD 57501-5070

Martha S. Hogerty  
Missouri Office of Public Council  
301 West High Street, Suite 250  
P.O. Box 7800  
Jefferson City, MO 65102

Tom Boasberg  
Federal Communications Commission  
Office of the Chairman  
1919 M Street, N.W., Room 814  
Washington, DC 20554

Charles Bolle  
South Dakota Public Utilities Commission  
State Capitol, 500 East Capitol Street  
Pierre, SD 57501-5070

Deonne Bruning  
Nebraska Public Service Commission  
300 The Atrium, 1200 N Street,  
P.O. Box 94927  
Lincoln, NE 68509-4927

James Casserly  
Federal Communications Commission  
Commissioner Ness's Office  
1919 M Street, N.W., Room 832  
Washington, DC 20554

Rowland Curry  
Texas Public Utility Commission  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, TX 78701



Ann Dean  
Maryland Public Service Commission  
16th Floor, 6 Paul Street  
Baltimore, MD 21202-6806

Bridget Duff, State Staff Chair  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

Kathleen Franco  
Federal Communications Commission  
Commissioner Chong's Office  
1919 M Street, N.W., Room 844

Paul Gallant  
Federal Communications Commission  
Commissioner Quello's Office  
1919 M Street, N.W., Room 802  
Washington, DC 20554

Emily Hoffnar, Federal Staff Chair  
Federal Communications Commission  
Accounting and Audits Division  
Universal Service Branch  
2100 M Street, N.W., Room 8617  
Washington, DC 20554

Lori Kenyon  
Alaska Public Utilities Commission  
1016 West Sixth Avenue, Suite 400  
Anchorage, AK 99501

Debra M. Kriete  
Pennsylvania Public Utilities Commission  
North Office Building, Room 110  
Commonwealth and North Avenues  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Sandra Makeeff  
Iowa Utilities Board  
Lucas State Office Building  
Des Moines, IA 50319

Philip F. McClelland  
Pennsylvania Office of Consumer  
Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Thor Nelson  
Colorado Office of Consumer Counsel  
1580 Logan Street, Suite 610  
Denver, CO 80203

Barry Payne  
Indiana Office of the Consumer Counsel  
100 North Senate Avenue, Room N501  
Indianapolis, IN 46204-2208

Timothy Peterson, Deputy Division Chief  
Federal Communications Commission  
Accounting and Audits Division  
2100 M Street, N.W., Room 8613  
Washington, DC 20554

James B. Ramsay  
National Association of Regulatory Utility  
Commissioners  
1100 Pennsylvania Ave., N.W.  
P.O. Box 684  
Washington, D.C. 20044-0684

Brian Roberts  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Kevin Schwenzfeier  
NYS Dept of Public Service  
3 Empire State Plaza  
Albany, NY 12223

Tiane Sommer  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-5701

Sheryl Todd (plus 8 copies)  
Federal Communications Commission  
Accounting and Audits Division  
Universal Service Branch  
2100 M Street, N.W., Room 8611  
Washington, DC 20554